

Program Delivery and Outreach



Background

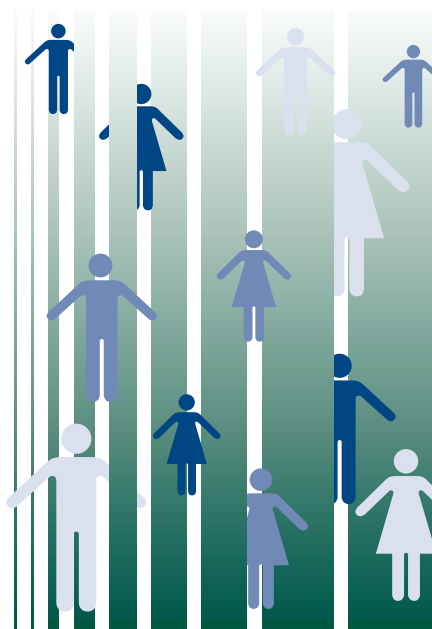
Many minority and limited-resource farmers believe that USDA has participated in a conspiracy to take their land. They cite as proof the severe decline in farm ownership by minorities, especially African-American farmers, in the last 70 years. Much of this land had been owned for generations, in some cases acquired by these farm families after slavery was abolished in the 1860's.

According to the most recent Census of Agriculture, the number of all minority farms has fallen—from 950,000 in 1920 to around 60,000 in 1992. For African Americans, the number fell from 925,000, 14 percent of all farms in 1920, to only 18,000, 1 percent of all farms in 1992. Although the number of farms owned by other minorities has increased in recent years, particularly among Hispanics, the total acres of land farmed by these groups has actually declined. Only women have seen an increase in both number of farms and acres farmed.

During this time, the number of nonminority farmers has also dramatically declined, although at a slower rate. Many farmers have voluntarily chosen other pursuits. For some, however, especially minority and limited-resource farmers and ranchers, the loss of their land has been involuntary. Many of these farmers and ranchers believe that USDA has been in part responsible for their losses.

These farmers blame USDA's program delivery system, with its wide-ranging and relatively autonomous local delivery structure. They charge that USDA has long tolerated discrimination in the distribution of program benefits and misuse of power to influence land ownership and farm profitability. They blame farm program regulations that—intentionally or not—shut out minority and limited-resource farmers and ranchers from the benefits of the programs that have helped larger nonminority producers survive the changes in agriculture in the last 50 years. And they blame USDA's insensitivity to the differing needs of minority and limited-resource customers and neglect of its responsibility to reach out and serve all who need USDA's assistance.

Farm advocates compared minority farmers to “endangered species.” “We keep up with endangered species of animals,” one said. “And I guess what we're saying is that black farmers, people-of-color farmers in this country... deserve the kind of registry, the kind of list so that we could preserve those farmers.” They called on USDA to establish a voluntary registry of minority land owners, through the Farm Service Agency, that would establish a baseline of land ownership by people of color. They challenged USDA to target its various programs to ensure that the baseline level of ownership by these farmers is sustained, and progressively increased.



**A Common Theme:**

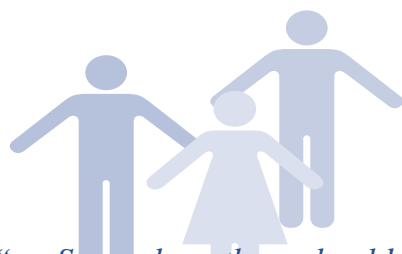
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Socially Disadvantaged Customers Perceive USDA Is a Partner in Taking Their Land

Customers across the nation, but most particularly in the Southeast, echoed a common theme at the recent listening sessions. They pointed to discrimination in USDA programs by Farm Service Agency (FSA), formerly Agricultural Stabilization and Conservation Service (ASCS), and Farmers Home Administration (FmHA) county offices as the primary reason for their loss of land and farm income. Details varied from family to family, but the general outlines of the stories farmers told the CRAT remained constant:

The minority or limited-resource farmer tries to apply for a farm operating loan through the FSA county office well in advance of planting season. The FSA county office might claim to have no applications available and ask the farmer to return later. Upon returning, the farmer might receive an application without any assistance in completing it, then be asked repeatedly to correct mistakes or complete oversights in the loan application. Often those requests for correcting the application could be stretched for months, since they would come only if the minority farmer contacted the office to check on the loan processing. By the time processing is completed, even when the loan is approved, planting season has already passed and the farmer either has not been able to plant at all, or has obtained limited credit on the strength of an expected FSA loan to plant a small crop, usually without the fertilizer and other supplies necessary for the best yields. The farmer's profit is then reduced.





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If the farmer’s promised FSA loan finally does arrive, it may have been arbitrarily reduced, leaving the farmer without enough money to repay suppliers and any mortgage or equipment debts. In some cases, the FSA loan never arrives, again leaving the farmer without means to repay debts. Further operating and disaster loans may be denied because of the farmer’s debt load, making it impossible for the farmer to earn any money from the farm. The farmer then will have to sell the land or be foreclosed on to settle debts. As an alternative, the local FSA official might offer the farmer an opportunity to lease back the land with an option to buy it back later. The appraised value of that land is set very high, presumably to support the needed operating loans, but also making repurchase of the land beyond the limited-resource farmer’s means. The land is lost finally and sold at auction, where it is bought by someone else at half the price being asked of the minority farmer. Often it is alleged that the person was a friend or relative of one of the FSA county officials.

The consequences of this scenario, repeated in all its varieties, and the hopes of those who have lost land through this process, were summarized by a participant at the listening session in Memphis, TN:

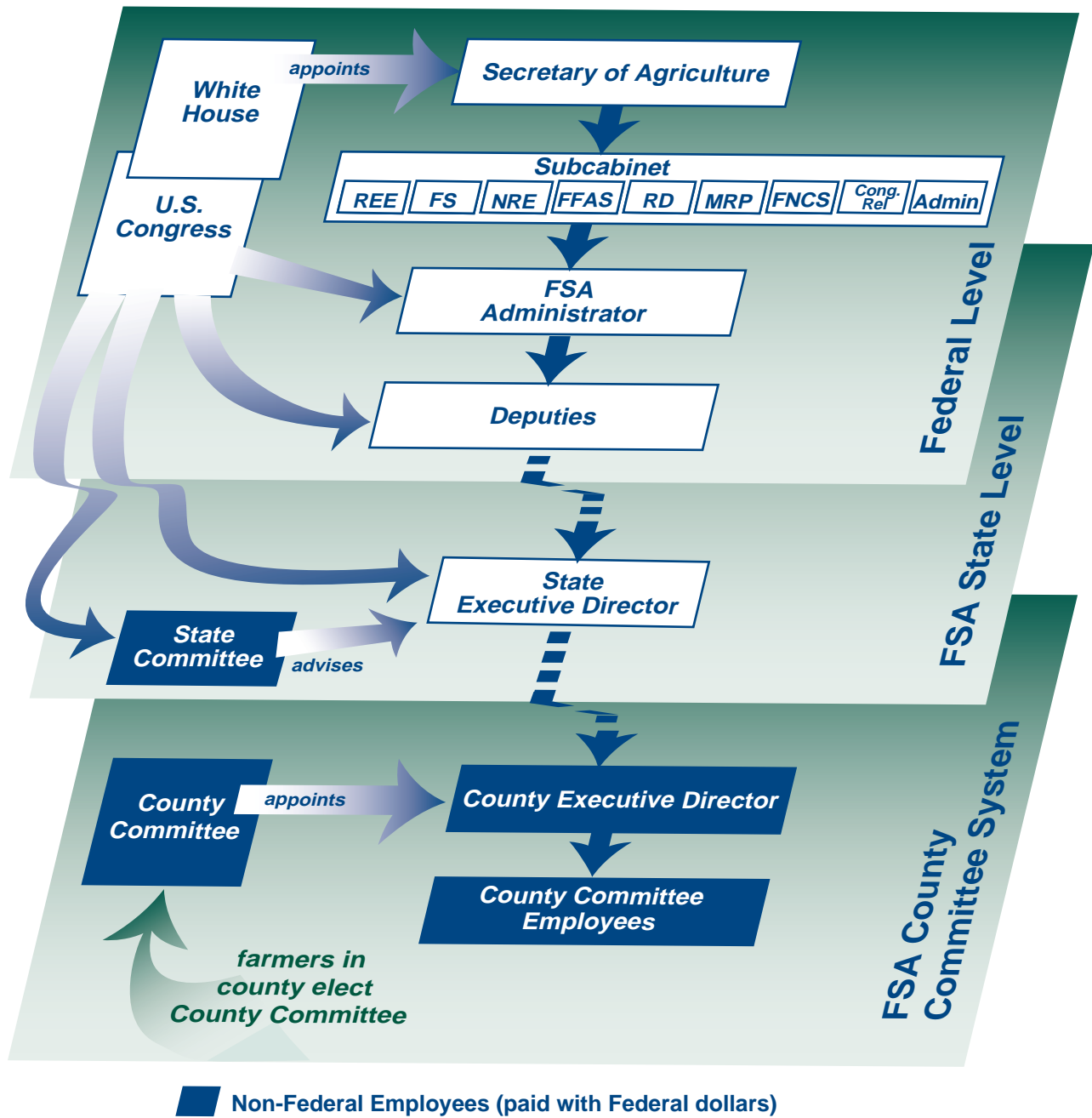
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Lack of Accountability Within the FFAS and Rural Development Mission Areas

Currently, the Farm and Foreign Agricultural Services (FFAS) Mission Area, which manages the FSA program delivery system, provides ineffective oversight of the local delivery of farm credit services. At all levels of management in FSA, the Secretary must defer to interested outside constituencies in making appointments. Those appointed to management positions then retain a degree of autonomy in their management decisions because of their connection to influential constituencies outside of USDA. A similar situation exists within the Rural Development Mission Area.

The problem of autonomy from the Departmental chain of command is amplified at the State and local levels of FSA program delivery and at the State level in Rural Development program delivery. State committees and State executive directors in FSA and State directors in Rural Development, although appointed by the Secretary and charged with carrying out the policies of USDA, owe some loyalty to those supporters who nominated them for appointment and retain some autonomy from the Secretary’s authority by the strength of that outside support.

USDA Reporting Lines and Personnel—from Headquarters to FSA County Committee Level





At the county level, local farmers and ranchers elect 3- to 5-member committees to oversee FSA programs locally. These committees hire a county executive director, who hires a county office staff. The county executive director is accountable to the county committee and supervises the county committee staff. Neither the county executive director nor the county committee staff are Federal employees, although they are paid through Federal funds appropriated to operate FSA programs. County office employees are officially responsible for implementing the policies of USDA and can be removed, as can State executive directors and county and State committee members, for failing to do so. In practice, however, that is rare.

As in most large organizations, FSA draws on its local and State staffs to fill positions at higher levels in the organization. Since county executive directors and employees owe their positions and allegiances to people, and sometimes political parties, other than the Secretary, it is more difficult to hold people accountable and remove employees who do not follow the Secretary's policies. This appears to be particularly true at the local level, where employees tend to be influenced by the values of their local communities and county committees rather than by standard policies promulgated at the national level. Farmers at the recent listening sessions described it as a system where management and program staffs at the State and local levels are relatively free to use their program authority and insider information to benefit themselves, their friends, and their families.

Lack of Diversity Among County Committees and County Office Employees



Because of the ways in which State and county committees are chosen and county offices are staffed, FSA lacks diversity in its program delivery structure. Federal EEO and Affirmative Employment laws and policies do not govern the FSA non-Federal workforce except by agency regulation. Consequently, the diversity of the non-Federal workforce is even less reflective of customers than the Federal program delivery workforce. In addition, the non-Federal employees within this county committee system are not covered by most Federal labor relations and labor standards protections. They can be fired at the discretion of the county executive director.

A recent GAO study indicated that in the 101 counties with the largest concentration of minority farmers, one-quarter had no minority employees in their offices. In those offices that did employ minorities, most were program assistants, although one-quarter of the offices had minority county executive directors.



Perhaps the lack of diversity that minority and limited-resource customers deem to be most critical, however—and this was confirmed by comments in the recent listening sessions—is the lack of minority and female representation on the county committees which can affect access to FSA programs. Proportionate under-representation has been a particular problem in the

FSA County Committee Members by Race, Sex, and Ethnicity, 1996



Midwest

White	Male		1,923
	Female		119
Black	Male	0	0
	Female	0	0
Hispanic	Male	0	0
	Female	0	0
Asian American/ Pacific Islander	Male	0	0
	Female	0	0
American Indian/ Alaskan Native	Male	3	3
	Female	0	0



Northeast

White	Male		708
	Female		73
Black	Male	4	4
	Female	0	0
Hispanic	Male	1	1
	Female	0	0
Asian American/ Pacific Islander	Male	0	0
	Female	0	0
American Indian/ Alaskan Native	Male	0	0
	Female	0	0



Northwest

White	Male		1,026
	Female		107
Black	Male	0	0
	Female	0	0
Hispanic	Male	0	0
	Female	1	1
Asian American/ Pacific Islander	Male	4	4
	Female	2	2
American Indian/ Alaskan Native	Male	27	27
	Female	1	1

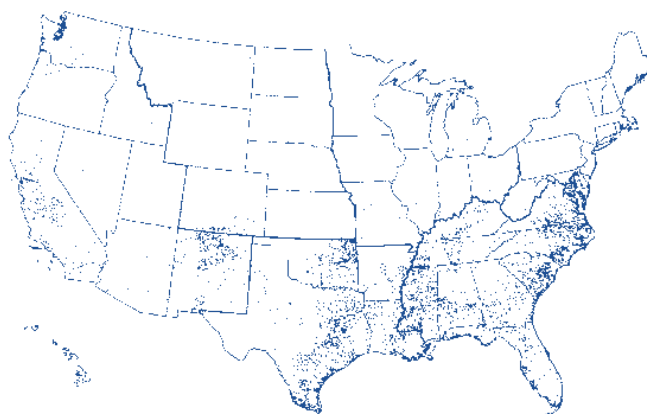
Southeast

White	Male		2,287
	Female		121
Black	Male	27	27
	Female	1	1
Hispanic	Male	21	21
	Female	7	7
Asian American/ Pacific Islander	Male	1	1
	Female	0	0
American Indian/ Alaskan Native	Male	4	4
	Female	0	0

Southwest

White	Male		1,441
	Female		152
Black	Male	5	5
	Female	0	0
Hispanic	Male	33	33
	Female	2	2
Asian American/ Pacific Islander	Male	10	10
	Female	4	4
American Indian/ Alaskan Native	Male	29	29
	Female	4	4

Distribution of Minority-Operated Farms, 1992



Source: Small and Limited-Resource Farmer Rancher Program



Southeast and Southwest, but it is a problem throughout the Nation.

In 1994, 94 percent of all county committees had no female or minority representation. Minority producers were 4.7 percent of eligible voters, but held only 2.9 percent of county committee seats. Women were 28.8 percent of eligible voters, but held only 1.5 percent of county committee seats. GAO found that in 1995, only 36 of the 101 counties with the largest concentration of minority farmers had a least 1 minority county committee member. Representation has improved slightly for women in the last few years, reaching 7 percent in 1997, but remains variable and disproportionately low, at 2.3 percent in 1997, for minorities.

Legislation passed by Congress in 1994 to reorganize the USDA requires that the county committees be representative of the agricultural producers in the county or multi-county area. In counties with relatively high concentrations of minority farmers without elected minority county committee members, FSA has required appointment of minority advisors to increase the awareness of and participation of minorities in FSA programs, including elections. Minority advisors are also intended to ensure that minority group problems and viewpoints are fully understood and considered in all FSA actions.

However, both FSA and minority and limited-resource farmers and ranchers recognize that the minority advisor system does not work. Without representation that has equal voting status on the county or area committees, the interests of minorities and limited-resource farmers and ranchers will not carry any weight.

Disparities in the Treatment of Minorities in FSA Programs

Minority and limited-resource customers stated repeatedly in the recent listening sessions that their participation in FSA programs has been blocked by discriminatory county office staffs. If they do succeed in receiving services, their participation is often restricted by delays and lack of support.

Recent studies requested by Congress and FSA have found lower participation and lower loan approval rates for minorities in most FSA programs. Participation rates in 1994 in programs of the former Agricultural Stabilization and Conservation Service (ASCS), particularly commodity programs and disaster programs, were disproportionately low for all minorities.

The GAO found that between October 1, 1994, and March 31, 1996, 33 percent of minority applications but only 27 percent of nonminority applications in the Agricultural Conservation Program (ACP) were disapproved. During the same period, 16 percent of minority but only 10 percent of nonminority loans in the direct loan program were disapproved.

Approval rates for the FSA direct and guaranteed loan programs in 1995 and 1996 varied by region and by State and showed no consistent picture of disparity between minority and nonminority rates. Some States showed fairly wide ranges, however. For example, only 67 percent of African-American loans were approved in Louisiana, compared to 83 percent of nonminority loans. Alabama showed a similar disparity—only 78 percent of African-American loans approved, compared to 90 percent of nonminority loans.

Loan processing rates for the FSA direct and guaranteed loan programs also varied widely in 1995 and 1996 and again showed no consistent picture of disparity between minority and nonminority rates. Again, however, some States showed consistently longer processing times for minorities. In the Southeast, for example, in several States it took three times as long on average to process African-American loan applications as it did nonminority applications. Similar disparities between nonminority loan processing and American Indian loan processing appeared in records for a number of States included in FSA's Northwest region.

These reports suggest that the disparity in participation and treatment of nonminority and minority farmers may be partially accounted for by the smaller average size of minority- and female-operated farms, their lower average crop yields, and their greater likelihood not to plant program crops, as well as less sophisticated technology, insufficient collateral, poor cash flow, and poor credit ratings.



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However, representatives of minority and female farm groups point out that previous discrimination in USDA programs has helped to produce these very conditions now used to explain disparate treatment.

Opportunities for Relief Neglected



A program exists that could be more widely used to help with debt relief for minority and limited-resource farmers. The conservation contract debt reduction program, familiarly called “Debt for Nature,” reduces a landowner’s debt in return for placing a portion of the land under contract as a conservation easement for a specified length of time, usually about 50 years. Use of the program would allow minority or limited-resource farmers to retain ownership of their land and continue farming on a large enough portion to remain profitable, while contributing to the conservation of highly erodible land, wetlands, endangered species habitats, and other fragile lands.

However, because these contracts are considered debt write-downs, their use disqualifies the landowner from further FSA loans. A change in legislation to end that prohibition would make “Debt for Nature” contracts more helpful to minority and limited-resource customers and would increase benefits to fragile ecosystems.

Farmers Find Little Relief in USDA Complaint Processes

Farmers who told the CRAT stories of discrimination and abuse by USDA agencies also described a complaints processing system which, if anything, often makes matters worse. They described a bureaucratic nightmare where,



The D. J. Miller report of 1996 found anecdotal evidence suggesting that minorities and females use the appeals process less. This is primarily due to discomfort with and lack of confidence in the decision makers; slowness of the appeals process; lack of knowledge of appeals rules and regulations; and the time-consuming bureaucracy of the appeals process.

even after they receive a finding of discrimination, USDA refuses to pay damages. They charged USDA with forcing them into court to seek justice, rather than working with them to redress acknowledged grievances. They painfully described the toll these ongoing battles with USDA has taken on their families, and on their health.

When USDA denies a loan, payment, or any other benefit, the customer almost always has appeal rights. Agency appeals processes vary but, typically, an appeal goes to a higher level agency official in the county, State, or region, and then to the agency's national office or to the Department. Until 1995, FmHA and ASCS (now FSA) appeals processes were handled entirely within the agency. If the customer did not agree with the national decision, the only appeal was to the courts.

However, many farmers, especially small farmers, who have managed to appeal their cases to FSA charge that even when decisions are overturned, local offices often do not honor the decision. They claim that decisions favoring farmers are simply "not enforced." Farmers also mentioned the backlog and length of time needed to appeal, and the lack of timely communication to inform them of the status of their cases.

The D. J. Miller report of 1996 noted that this system was not beneficial to minority farmers. It found that "the statistical evidence shows that minority and female farmers do not file appeals of FSA decisions in proportion to their share of producers" and that "anecdotal evidence suggests that minorities and females utilize the appeals process less primarily due to discomfort with and lack of confidence in the decision makers; slowness of the appeals process; and lack of knowledge of appeals rules and regulations; and the time-consuming bureaucracy of the appeals process." For those minority farmers who did use this system, the Miller report did not find a statistically significant difference between the outcomes of appeals between white male and female and minority farmers.

A new, independent, National Appeals Division (NAD) was established by USDA in 1994. The director of NAD reports directly to the Secretary. Any customer may appeal to NAD after going through at least one stage of appeal within the agency.

Testimony at the listening sessions and written comments submitted questioned the integrity of the new NAD appeals system. The principal complaint was that after a NAD hearing officer overturns an agency decision in favor of the farmer, the agency, usually FSA, appeals to NAD's Director to reverse the hearing officer's decision and rule against the farmer. Questions were raised about the influence of OGC and the Justice Department over NAD. One speaker said that farmers' civil rights have been violated when the appeals system has not respected the bankruptcy laws. Also, based on a meeting with OGC, it appears that NAD's appeals process is not coordinated with the Department's program discrimination complaints process.

However, one farm advocate at the Halifax, NC, listening session stated that according to information he received through the Freedom of



Information Act (FOIA), “when hearing officers rule for the agencies, they were competent [upheld] 98 percent of the time, but when they ruled for the farmer, these same hearing officers were incompetent [reversed] over 50 percent of the time.... This is indisputable evidence of bias and discrimination against a whole class of farmers....”

NAD does not process complaints which allege discrimination. When they believe they have been denied service because of discrimination, as hundreds of farmers told the CRAT, farmers can file discrimination complaints directly with the agencies they believe have discriminated, or with the Department. Many described this approach as “the fox guarding the hen house.”

Program discrimination complaints generally fall within two categories: (1) programs conducted directly by a USDA agency, such as USDA loan programs, and (2) federally assisted programs, where USDA does not directly offer services to customers, but recipients of USDA funds do. The recipients must obey civil rights laws, and USDA can be sued under such laws as Title VI, the Rehabilitation Act, Title IX, the Equal Credit Opportunity Act, and others.

CRAT members were informed by OGC that USDA presently has no published regulations with clear guidance on the process or timelines involved in program discrimination complaints. When a farmer does allege discrimination, “preliminary investigations” are typically conducted by the agency that has been charged with violating her or his rights.

Also, farmers charged that while complaints are working their way through the agency, USDA proceeds with farm foreclosures—even where discrimination may have contributed to the farmers’ plight. This sentiment was expressed by a farmer in Albany, GA, who said, “I felt like that if I enter a complaint, then that would just speed up (the) foreclosure process on me. And I didn’t want to do that, because some farmers, they already have complaints in with Farmers Home. And it didn’t do them any good.”

Some charged that USDA doesn’t respond even when they do file complaints. In Tulsa, OK, an advocate representing black and American Indian farmers said, “we have filed 72 civil rights complaints. Not one complaint has ever been answered.”

At the Memphis, TN, listening session, a farmer who filed a complaint against FSA 11 months ago complained, “I have not, I cannot get, anyone to talk to me about the status of this discrimination complaint. I called the office and they tell me don’t call back...that they have arthritis and that they don’t want to talk. They’ve got other things to do. I’d just like to know what I can do to find out the status of this complaint that I’ve filed.”

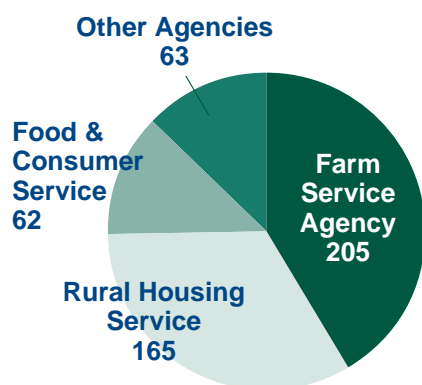
The CRAT was unable to gather historical data on program discrimination complaints at USDA because record keeping on these matters has been virtually nonexistent. Complaints filed with the agencies are not necessarily reported to USDA’s Civil Rights office.

Some figures are available, however, for cases that were open as of December 31, 1996. The largest number of pending discrimination complaints, as comments at the listening sessions suggest, are concentrated in

Richard E. Rominger, Deputy Secretary of Agriculture, at a listening session.



Number of Pending Program Discrimination Complaints at USDA



Source: USDA Office of Operations

three agencies at USDA. There were 205 cases pending, representing 42 percent of the total, against the FSA; 165, or 33.3 percent against the Rural Housing Service (RHS); and 62, or 12.5 percent, against the Food and Consumer Service. Sixty-three cases, or 12.7 percent of the total, were pending against other agencies. The Department had a total of 495 pending program discrimination complaints. Approximately one-half of the pending cases are 2 years old or older, verifying farmers' contention that complaints are being processed slowly, if at all.

According to the Complaints Processing Division at the Office of Operations (OO), which processes complaints that make it to the Department level, USDA averages about 200 new program discrimination complaints each year. However, in fiscal year 1996, an average of only 9 cases were closed per month, or 108 during the year—increasing a backlog of program complaints.

Program Rules Reduce Minority and Limited-Resource Customer Participation

In some cases, the CRAT found that program rule changes, either required by Congress in legislation or developed through the rule-making process, have the effect of disqualifying many minority and disadvantaged farmers from participating in USDA programs, or significantly reducing benefits they may receive. Most of these arise from lack of communication by responsible agencies with the minority and limited-resource communities.

A recent example of one such congressionally mandated rule change includes the abrupt end to the Lease Back/Buy Back option for farmers who had been unable to repay FSA loans. A number of farmers who had entered

into such agreements were unable to exercise their option to buy back their land because of inadequate program funding in the 3 years preceding the rule change. Because the rule change ended the program altogether, without protection of existing options, many minority and limited-resource farmers have lost this opportunity to repurchase their land.

Another example is the prohibition instituted in 1996 against continued lending to farmers who had received a debt write-down or whose farms were pending liquidation. Many minority and small farmers have limited access to sources of credit outside USDA. Without eligibility for FSA operating loans, these farmers are unable to continue farming and are likely to lose their land even without formal foreclosure.

Other agencies, including RHS and the Natural Resources Conservation Service (NRCS), require particular practices or qualifications for loans that are difficult for limited-resource customers to meet. Until USDA agencies review their rules to identify and eliminate regulations that discriminate against socially disadvantaged customers, they will not achieve the goal of equitable treatment for all customers.



Improved Outreach Would Improve Program Participation

Lack of diversity in the FSA county office delivery system directly affects participation of minority and female producers in USDA programs. Underrepresentation of minorities on county committees and on county staffs means minority and female producers hear less about programs and have a more difficult time participating in USDA programs because they lack specific information on available services.

However, outreach efforts have failed on a much broader front than just the county committee system in FSA. USDA does not place a priority on serving the needs of small and limited-resource farmers and has not supported any coordinated effort to address this problem. The many mission areas and agencies within the Department have developed their own separate programs that may or may not be successful in responding to the real differences in scale and culture presented by minority and limited-resource customers.

Minority and limited-resource farmers and ranchers reported they are not receiving the technical assistance they require. They said they are not receiving basic information about programs for which they might be eligible. They are not being helped to complete complicated application forms. They are not being helped to understand and meet eligibility requirements for programs. They are not receiving information about how their applications are handled and, if they are denied participation, why they were denied and how they might succeed in the future. When they do receive loans or other program benefits, they are not being helped to use those benefits most effectively to improve their operations.

Some outreach efforts, like the consolidated Service Center approach to





providing comprehensive services to USDA customers, have created new barriers. Their locations have not considered the needs of minority and limited-resource customers who may have difficulty in reaching more distant centers than customers with greater resources. Their services have not provided for cultural and language differences that make USDA programs inaccessible or less relevant to minority customer needs. And their services have failed to recognize the different needs of small-scale enterprises, be they farms, businesses, communities, or families.

Cultural Insensitivity Interferes with Minority Participation

USDA program outreach efforts have not made sufficient use of partnerships with community-based organizations, land-grant and other educational institutions, and program diversity initiatives that understand the specific needs of minority and limited-resource customers. These organizations and institutions can help USDA agencies address discriminatory program rules, develop appropriate special programs, and target outreach in the most effective ways to reach minority communities and other groups with special needs.

Customers at the recent listening sessions reiterated the special needs of different minority and socially disadvantaged communities. All communities agreed that they are overlooked when information is released about available USDA programs. USDA agencies do not make use of minority community organizational and media outlets to be sure all eligible participants know about their programs. Cultural barriers prevent the communication necessary for good service by USDA programs.

All communities also agreed that minority youth are being discouraged from becoming farmers. They witness the struggles of their parents to obtain fair treatment and the poor return for their efforts. Listening session participants said young minorities are not recruited for USDA youth programs in sufficient number. And those few who do choose to try to farm are turned down for ownership and operating loans because they are too young or too inexperienced, even when they hold college degrees in agriculture.

Young men and women who want to follow in the family footsteps, either by taking over the family farm or by buying their own, oftentimes find it difficult to obtain financing for their ventures. According to several speakers at the listening sessions, FSA has denied loans to new or beginning farmers despite years of working on their family farm or receiving advanced degrees in agriculture.

A farmer at the Halifax, NC, session said that in 1994, his son received a letter from FmHA which said, "You lack sufficient training and experience and education to be successful in farming to assure reasonable re-payment for the loan requested." His son, who grew up on a 300-acre family farm, was a graduate of A&T State University with a major in agricultural education. Since his son had inherited land and equipment from his grandfather, all he needed was operating money. This speaker mentioned an FmHA pamphlet

for young farmers which says “You’re interested in being a young farmer, then FmHA wants to help.” As the speaker said, “Where is the help?”

A special case exists among American Indians on Tribal lands. USDA programs have not addressed their special status as sovereign nations and have not accommodated the special needs of their ownership of land in trust. The county delivery system ignores the political boundaries of Tribal governments. Lack of cooperation between the Department of the Interior, with responsibility for Indian affairs, and the USDA, with its responsibilities for agricultural, rural, and food and nutrition programs, interferes with delivery of needed services to American Indians. Program rules specifying particular forms of land ownership for eligibility prevent American Indians from access to assistance they need to develop their agriculture and conserve their land.

Hispanic and Asian-American farming communities expressed concern that cultural differences in approaches to farming, in family and community traditions, in language, even in diet, are not being considered in the ways USDA delivers its programs. They express a perception that USDA has begun to recognize the shortcomings in its outreach to African-American and American Indian customers, but that it has yet to even identify that there is an unmet need in the Hispanic and Asian-American communities.

One of the most neglected customer communities, with few representatives at the listening sessions, was the farmworker community. According to this group, USDA has almost completely failed to acknowledge its responsibilities for addressing the needs of this community of agricultural workers.



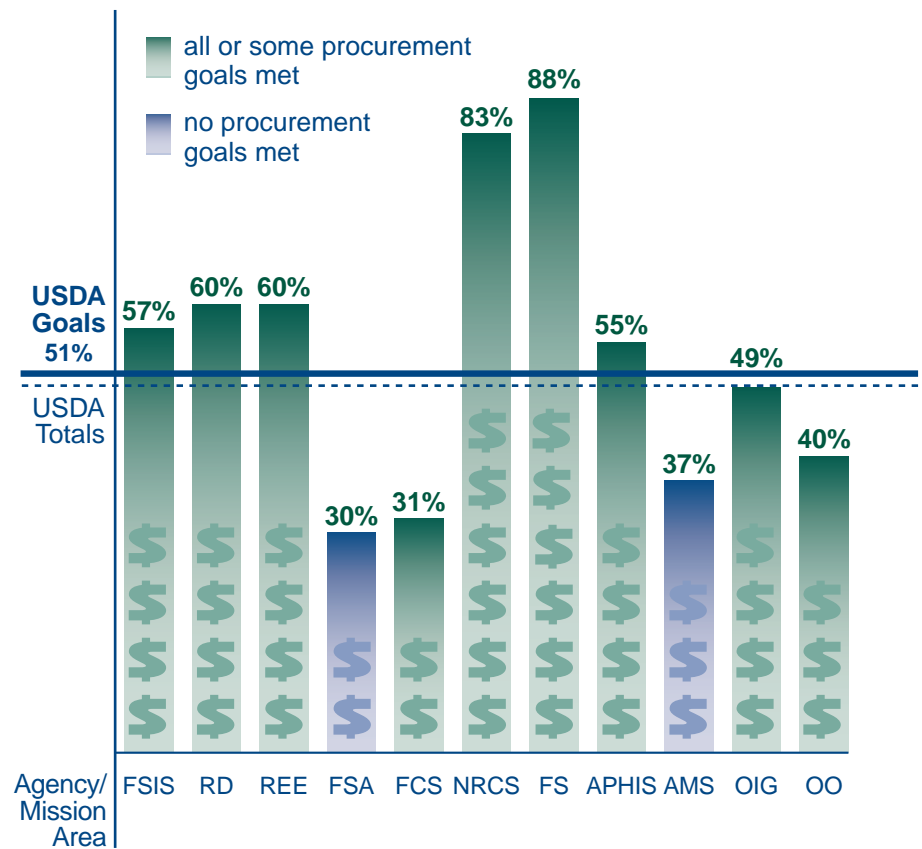
Research and Education Needs of Minority, Small-Scale, and Limited-Resource Farmers and Ranchers Have Been Neglected

Beyond direct assistance programs, USDA research and extension efforts are not adequately addressing the unique needs of small, limited-resource, and minority farmers and ranchers. These include the need for intensive enterprises, appropriate technological practices, value-added products, management and marketing strategies, and the systematized of these into profitable operations.

Funding for the 1890 and 1994 land-grant institutions has not been adequate. Speakers at the Belzoni, MS, listening session said that the “disparate funding” between the State’s 1890 and 1862 institutions by USDA has also contributed to the problems facing minority farmers in the State. Funds for 1890 and 1994 institutions should be directly appropriated in proportion to the number of minority farmers in the State. At the Washington, DC, session, the Secretary was asked to act on a proposal submitted several weeks ago to create partnerships with institutions serving Asian-Pacific Americans.

Also, the lack of representation of small, limited-resource, and minority farmers and ranchers on many research and education advisory boards has reduced the responsiveness of research and education programs to the specific needs of these under-represented groups. Minority customers are also more

USDA Small and Disadvantaged Business Procurement Accomplishments FY96 (in % of total \$)



Source: OSDBU

likely to participate in research and education programs if at least some of those delivering the programs and on the advisory committees are of the same race, sex, and ethnicity.

Including Small Businesses in USDA Programs

Outreach efforts to expand contracting for goods and services to support USDA agencies have also been a source of complaints. Minorities, women, and other under-represented groups say that USDA agencies favor nonminority contractors for general operating goods and services.

USDA set procurement goals in fiscal year 1996 for all small businesses, and within that category for small disadvantaged businesses participating in the Small Business Administration (SBA) 8(a) program, for other minority-owned small disadvantaged businesses, and for women-owned businesses. Although

the Department met its goal only for 8(a) participant businesses, it came close to the goals in several other categories. Accomplishment by mission area and agency, however, varied widely, from a high of exceeding all USDA small and disadvantaged business procurement goals in the Natural Resources Conservation Service and Forest Service to a low of meeting none of those goals in the Farm Service Agency and the Agricultural Marketing Service.

Along the same lines, the Foreign Agricultural Service (FAS) operates an Export Promotions Program that assists U.S. agriculture and food-related businesses in reaching overseas markets. Minorities have not been well-represented, either among employees or among cooperating businesses. FAS also has not focused much attention on developing markets in African nations, countries in which many African-American businesses are interested.

Current Funding Priorities Are Inadequate To Address the Needs of Minority and Limited-Resource Customers

All of these voids in USDA's program delivery are exacerbated by the increasing shortage of funds available for program delivery. Yet shortage of funds is no excuse for inaction. USDA has not dedicated enough of its available funding to serving the needs of minority and limited-resource customers. Both increased funding and a retargeting of already available funds are necessary to address the Department's failures in responding to the needs of these underserved customers.



Conclusions

Clearly, USDA has not effectively protected, supported, or promoted small and limited-resource farmers and ranchers and other underserved customers. Not only have they often not been served at all, but in many cases the service has appeared to be detrimental to the survival of minority and limited-resource farmers. The recent Civil Rights listening sessions revealed a general perception of apathy, neglect, and a negative bias towards all minorities on the part of most local USDA government officials directly involved in decision making for program delivery. A reporter at the recent listening session in Tulsa, OK, observed that minority farmers are not sure which condition “was worse—being ignored by the USDA and missing potential opportunities or getting involved with its programs and facing a litany of abuses.”

Minority farmers have lost significant amounts of land and potential farm income as a result of discrimination by FSA programs and the programs of its predecessor agencies, ASCS and FmHA. Socially disadvantaged and minority farmers said USDA is part of a conspiracy to take their land and look to USDA for some kind of compensation for their losses.

Because of the traditional selection process for employees and management within the FSA program delivery system, State and county committees and



their staffs have not been held accountable for carrying out USDA nondiscrimination policies. The non-Federal status of county employees allows for less diversity and accountability to the Departmental civil rights policies. Under-representation of socially disadvantaged groups on State and county committees and in the county offices contributes to mistrust of the Department. The Rural Development mission area faces similar charges of discriminatory delivery of programs and lack of accountability of its State directors.

The process for resolving program complaints has failed. Minority and limited-resource customers believe USDA has not acted in good faith on the complaints. Appeals are too often delayed and for too long. Favorable decisions are too often reversed.

Some problems of inequitable delivery of services stem from program rules and legislation that—intentionally or not—have the effect of disqualifying limited-resource customers from USDA programs. Eligibility requirements limit the participation of limited-resource customers while complicated forms and program regulations discourage participation.

Poor outreach efforts are central to the USDA's failure to meet the program needs of minority, small-scale, and limited-resource farmers. USDA Service Centers are not well located to serve socially disadvantaged customers and are not always accessible to the disabled. County offices and Service Center staffs do not provide the necessary assistance to socially disadvantaged customers in understanding regulations and completing complicated applications.

USDA agencies have also failed to establish working relationships with community-based organizations and educational institutions that could help communicate USDA programs to underserved communities. As a consequence, cultural and language differences that interfere with minority participation in USDA programs have not been addressed sufficiently.

The special needs of small-scale and limited-resource enterprises have also not been addressed, either in the area of technological improvements and alternative enterprises, or in the area of marketing. USDA has also failed to consistently meet its goals for increasing procurement from small and disadvantaged businesses.

Limited funding cannot be an excuse for inadequate targeting of funds to minority and limited-resource customers. However, increased funding, as well as improved targeting, would do much to improve minority and limited-resource customer participation in USDA programs and to demonstrate the Department's commitment to serving their needs.